

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

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Bill Number: AB 1117

Related Bills: See Prior Analysis

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Amended Date: March 27, 2001

Attorney: Patrick Kusiak

Sponsor: _____

SUBJECT: Coordination of Minimum Tax Credit with Credits that Reduce Tax Below Tentative Minimum Tax/Full Payment Rule/ Usage of Tax Credit by Holders of Interests in Pass-Through Entities/ Disclosure of Return and Return Information for Personnel Matters/ Limited Partnership Tax Technical Change

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED/AMENDED February 23, 2001 STILL APPLIES.

☒ OTHER - See comments below.

SUMMARY

The five separate provisions of this bill are sponsored by the Franchise Tax Board.

Provision Description

1. **Coordination of Minimum Tax Credit with Credits that Reduce Tax Below Tentative Minimum Tax**

This provision would eliminate conflicting statutory provisions that specify the order that credits are applied against tax.

2. **Full Payment Rule**

This provision would allow a taxpayer that is making installment payments on their taxes to file a claim for refund before the taxes are fully paid (a protective refund claim).

3. **Usage of Tax Credits by Holders of Interests in Pass-Through Entities**

This provision would provide a general default rule for consistent treatment of pass-through credits.

Board Position:

☒ S
☐ SA
☐ N

☐ NA
☐ O
☐ OUA

☐ NP
☐ NAR
☐ PENDING

Legislative Director

Date

Brian Putler

05/22/01

4. Disclosure of Return and Return Information for Personnel Matters

This provision would allow limited disclosure of confidential taxpayer information in FTB employee disciplinary actions.

5. Limited Partnership Tax Technical Changes

This provision would make technical changes to the description of the tax due annually for limited partnerships.

SUMMARY OF AMENDMENTS

The March 27, 2001, amendments added provisions No.2 (Full Payment Rule) and No. 4 (Disclosure of Return and Return Information for Personnel Matters) to the bill. These two provisions were previously discussed in the February 23, 2001, analysis "as proposed to be amended."

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